



GAIL FARBER, Director

COUNTY OF LOS ANGELES DEPARTMENT OF PUBLIC WORKS

"To Enrich Lives Through Effective and Caring Service"

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March 24, 2015

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

21 March 24, 2015


PATRICK OZAWA
ACTING EXECUTIVE OFFICER

**SETTLEMENT AGREEMENT WITH WEST VALLEY COUNTY WATER DISTRICT AND PUBLIC
WATER SUPPLIERS, INCLUDING LOS ANGELES COUNTY WATERWORKS DISTRICT NO. 40,
ANTELOPE VALLEY, REGARDING ANTELOPE VALLEY GROUNDWATER ADJUDICATION
(SUPERVISORIAL DISTRICT 5)
(3 VOTES)**

SUBJECT

This action is to approve and authorize the Director of Public Works, or her designee, to execute a settlement agreement between West Valley County Water District and public water suppliers, including Los Angeles County Waterworks District No. 40, Antelope Valley, in the Antelope Valley Groundwater Adjudication and find that this action is not subject to provisions of the California Environmental Quality Act.

IT IS RECOMMENDED THAT THE BOARD ACTING AS THE GOVERNING BODY OF THE LOS ANGELES COUNTY WATERWORKS DISTRICT NO. 40, ANTELOPE VALLEY:

1. Find that the execution of the settlement agreement with the West Valley County Water District and other public water suppliers is not a project pursuant to Section 15378(b)(5) of the California Environmental Quality Act Guidelines. In the alternative, find that the execution of the settlement agreement with the West Valley County Water District and other public water suppliers is categorically exempt under Section 15301 of the California Environmental Quality Act Guidelines and Class 1 of the County's Environmental Document Reporting Procedures and Guidelines.
2. Approve and authorize the Director of Public Works, or her designee, on behalf of the Los Angeles County Waterworks District No. 40, Antelope Valley, to execute a settlement agreement with the West Valley County Water District and other public water suppliers: Palmdale Water District, Quartz Hill Water District, Rosamond Community Services District, California Water Service

Company, Desert Lakes Community Services District, Littlerock Creek Irrigation District, and Palm Ranch Irrigation District under which West Valley County Water District will receive an allocation of 35 acre-feet per year out of the unused portion of the Federal reserved groundwater pumping right under the proposed judgment of the Antelope Valley Groundwater Adjudication (West Valley Settlement Agreement).

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of this action is to find that the recommended West Valley Settlement Agreement is not a project under the California Environmental Quality Act (CEQA) or, alternatively, is categorically exempt under CEQA, and authorize the Director of Public Works, or her designee, on behalf of the Los Angeles County Waterworks District No. 40, Antelope Valley, to execute the West Valley Settlement Agreement with the West Valley County Water District (West Valley) and other public water suppliers. The purpose of the West Valley Settlement Agreement is to resolve the claims of West Valley in the Antelope Valley Groundwater Adjudication (Adjudication), a legal proceeding to determine groundwater pumping rights and groundwater management in the Antelope Valley.

Implementation of Strategic Plan Goals

The Countywide Strategic Plan directs the provision of Operational Effectiveness/Fiscal Sustainability (Goal 1) by maintaining a collaborative relationship with a neighboring public agency for the betterment of the residents of the County of Los Angeles.

FISCAL IMPACT/FINANCING

There will be no impact to the County General Fund. There could be a negligible impact to the Waterworks District's annual budget.

West Valley will pay any and all Watermaster assessments, which may be levied against the water rights it will receive under the West Valley Settlement Agreement.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The Waterworks District, West Valley, Palmdale Water District, Quartz Hill Water District, Rosamond Community Services District, California Water Service Company, Desert Lakes Community Services District, Littlerock Creek Irrigation District, and Palm Ranch Irrigation District are public water suppliers and parties to the Adjudication.

On February 24, 2015, the Board approved a proposed settlement of the Adjudication (Adjudication Settlement). There is now a process in place for the Court to approve the Adjudication Settlement, which will culminate in a final approval hearing set for August 3, 2015.

All of the aforementioned public water suppliers, except West Valley, are parties to the Adjudication Settlement.

West Valley is a small public water supplier in the western portion of the Antelope Valley, which provides water service to approximately 200 properties and a small lake. West Valley currently pumps groundwater in the amount of approximately 180 acre-feet per year.

The West Valley Settlement Agreement is proposed as a resolution of issues with West Valley and

would result in West Valley agreeing to and joining in the Adjudication Settlement. The West Valley Settlement Agreement is conditioned upon the Court's entry of a final judgment in the Adjudication.

The Adjudication Settlement provides that the United States, also a party to the Adjudication, will receive a Federal reserved groundwater pumping right of 7,600 acre-feet per year (Federal Right). In the event that the United States does not pump the full amount of its right, certain public water suppliers, including the Waterworks District and not including West Valley, will be able to pump the unused amount of the Federal Right. The Adjudication Settlement also allows parties to transfer their groundwater pumping rights.

Under the proposed West Valley Settlement Agreement with West Valley, the Waterworks District and other public water suppliers would agree that West Valley may pump 35 acre-feet per year from unused amount of the Federal Right. The Waterworks District's share of the 35 acre-feet per year is 19.25 acre-feet per year.

The Adjudication Settlement currently allocates a groundwater right of 40 acre-feet per year to West Valley separate and apart from the right to pump 35 acre-feet per year discussed above. Thus, the West Valley Settlement Agreement would result in West Valley receiving an additional right to pump 35 acre-feet per year for a total of 75 acre-feet per year.

The West Valley Settlement Agreement will be memorialized in a written contract approved as to form by County Counsel and outside counsel. The West Valley Settlement Agreement will be executed by West Valley and the other aforementioned public water suppliers.

ENVIRONMENTAL DOCUMENTATION

Approval of the West Valley Settlement Agreement does not constitute a project under CEQA. This action is excluded from the definition of a project by Section 15378(b)(5) of the CEQA Guidelines because the activity is an organizational or administrative activity of government, which will not result in direct or indirect physical changes to the environment. The activity represents no change from existing operations by West Valley or the other public water suppliers, which currently pump groundwater for their operations in amounts significantly greater than the amount of production contemplated by the West Valley Settlement Agreement.

Alternatively, even if this activity were subject to CEQA, approval of the West Valley Settlement Agreement is categorically exempt under CEQA. Section 15301 of the State CEQA Guidelines and Class 1 of the County's Environmental Document Reporting Procedures and Guidelines, Appendix G, exempts the leasing, operation, and maintenance of existing public or private structures, mechanical equipment, or topographical features involving negligible or no expansion of use. The activity contemplated by the West Valley Settlement Agreement involves ongoing, unchanged use of groundwater produced using existing facilities. The total amount of groundwater production by West Valley contemplated under the Adjudication Settlement and West Valley Settlement Agreement is 75 acre-feet per year. This is significantly less than the amount of groundwater currently pumped by West Valley (180 acre-feet per year).

No new facilities are being contemplated to produce the groundwater under the West Valley Settlement Agreement. Current facilities provide significantly greater capacity. In addition, there are no cumulative impacts, unusual circumstances, or other limiting factors that would make the exemption inapplicable based on the records of the proposed ongoing activities under the West Valley Settlement Agreement.

Upon the Board's approval of the West Valley Settlement Agreement, Public Works will file a Notice of Exemption with the County Clerk in accordance with Section 15062 of the State CEQA Guidelines.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

There will be no negative impact on current Waterworks District services or projects during the performance of the recommended actions.

CONCLUSION

Please return one adopted copy of this letter to the Department of Public Works, Waterworks Division.

Respectfully submitted,

A handwritten signature in cursive script that reads "Gail Farber".

GAIL FARBER

Director

GF:AA:dvt

c: Chief Executive Office (Rochelle Goff)
County Counsel
Executive Office